PJ Dougherty
Remarks at
South Dakota Wind Energy Conference
October 18, 2001

Thank you Senator Johnson for your kind introduction and thank you Chairman Jim Burg for your invitation to address your conference. I want to also thank the other conferences co-sponsors and all the commissioners and staff of the South Dakota PUC for their leadership in organizing this conference and in an energized base of support for renewables in general and wind power in particular.

[slide of cows & turbines]
I'm very happy to be here with you today. Any day I can visit the Midwest is a good day....Today I'd like to do three things. First, I want to share the role clean power can play for our country and particularly South Dakota. Second, I want to discuss how we're working to bring the promise of wind power to the nation. And third, I want to challenge you and your colleagues in South Dakota to move forward on wind development and offer my assistance in your efforts.

[drivers slide]
Let me start by giving you a brief description of why we have a national wind energy program. Our core wind energy program exists for three reasons. First, to balance and diversify our nation's energy portfolio, just as you would a financial portfolio. We recognize and appreciate the role fossil fuels, hydro, and nuclear have played and continue to play in our country's economic development. At the same time, we and a growing number of energy consumers and suppliers recognize and appreciate the role clean energy technologies like wind can play in meeting our demand for power today and in the future. Second, moving clean energy technologies into our energy mix decreases the impact of power production on our air, our water, and our health. Third, wind and other renewables represent a huge economic opportunity here and abroad.

[resource slides]
In the case of wind, the country and particularly the Upper Great Plains are blessed with abundant resources that can be developed. Here in South Dakota, nearly half of the state is classified as windy enough for electric power production. The total production potential is estimated at 1.03 billion Mwh, enough to service approximately 85,800 homes. This places South Dakota 4th in the nation in terms of having the highest wind energy potential.

[cost slides]
Meanwhile the cost of generating power from this abundant resource is declining rapidly. In short, when you couple the cost of power, resource availability, and national needs, wind power is increasingly becoming a wise economic choice for power production.

Based on the factors and drivers I just discussed -- demand, price, and resources -- the time was right to begin a concentrated push to increase the share of wind technology in our energy portfolio.

[S-1 Slide]
In June 1999, Secretary Richardson did just that challenging the nation to generate a significant percentage of our electricity from wind power by 2020; to generate a significant percentage of the federal government's electricity by 2010; and to increase the number of states that generate wind power.

[slide of benefits]
What will we get if we reach these goals, beyond the thanks of a grateful nation? The economic bump from capital investment in wind could total $60 billion over the next 20 years. In terms of direct payments to landowners for leasing their property for development, we project $1.2 billion. And we'll see cleaner air and water while we have economic growth. We estimate that successful implementation of Wind Powering America, let alone our other technology deployment initiatives like GeoPowering the West, Million Solar Roofs, Clean Cities, and Brightfields, would cut carbon emissions by 35 million tons annually while providing 80,000 permanent jobs by 2020. All in all this means less spent by our families on energy bills and medical care and more in our pockets; less spent by power generators on retrofits and fines and more for investing in efficiency and renewable programs; less money leaving our communities and a stronger local economies. We also get a more reliable power grid and diverse generation portfolio.

So how are we getting there? By designing the initiative with a few simple principles, and using common sense in running it. And yes, keeping them out of Washington as much as possible.

[guiding principles slide]
Working on the initiative is a strong, regionally-based team. While overall guidance comes from our office in Washington, action plans are developed as a Team, the work is undertaken as a Team, and success or failure will be shared by the Team.

Working with us is a strong national network of talented, dedicated people, some professionally associated with the initiatives among others, who believe in the power of wind and geothermal energy.

We leverage funds wherever we can, as appropriate, and undertake projects that can be replicated. Among all the groups I outlined earlier as members of the wind and geothermal team, there are many resources -- financial, human expertise -- as well as activities already underway. None of us has the money to reinvent the wheel/windmill; none of us have all the answers; none of us are physically, emotionally or spiritually able to do this alone.

Finally, we share a common vision of the potential for green power, although our paths may be different. We share information on what works and doesn't work. We share our resources. By doing so we all become stronger – similar to how having several gourmet resturants doing business in the same area is better for all of them. Having just one is risky.

[strategic thrust slide]
WPA is a reasonable, yet very focused program. We're focusing on a limited number of strategic thrusts and related activities, including:

- Federal Green Power – using clean energy technologies to meet a part of the huge energy demand of the federal facilities;

- Rural Economic Development – bringing options like land leasing arrangements and revenue sharing from developers to rural landowners like farmers and ranchers and throughout Tribal lands;

- Power Partnerships – working with power generators and suppliers to encourage them to install clean power capacity as well as working with large customers to encourage them to buy green power;

- State-Level Activities – holding state specific workshops on green technologies and providing technical support necessary to ensure the fair treatment for wind and geopower as states restructure their utility industries and undertake the task of creating rules and regulations governing the operations of transmission systems;

- Outreach and Technical Support – providing technical assistance such as resource assessments, mapping, general information to help public officials, industry, and energy consumers make informed decisions.

So what have we done and where are we going? The short answer is we've done a lot as a team and with the support and effort of our many partners:

- Under **Federal Green Power**, the Team was part of a historic effort to aggregate the Denver area federal load and securing the commitment of over 30 agencies to purchase 10 MWs of wind power – the largest federal green power purchase ever – and we plan on replicating this effort in cities across our regional offices; We're also exploring a DOE-wide "green tags" initiative, a procedure where the buyer purchases only the "green" attributes of the power in the form of a credit or tag. This purchase can be certified as directly contributing to the reduction of air emissions from power generation even for facilities that are not located near the source of the wind generation;

- Under **State-Level Support**, we've sponsored, co-sponsored or participated in 7 state-focused wind workshops that identified resource development potential and brought key leaders within the state together for the first time and more are planned by the end of this year;

- Under **Power Partnerships**, we're engaging investor-owned utilities and public power to determine how best to bring the message of competitive, green power to our nation's power generators and suppliers and help them make a commitment to generate and offer green products to their customers; and

- Under **Rural Economic Development**, we're planning leveraged pilot projects to field test wind and geothermal technologies on Tribal lands as well as with farming families, ranchers, and our nation's rural electric cooperatives.

In short, we're working with real people living real lives, from Montauk, Long Island, to Kotzebue, Alaska, and many points in between, including Manhattan, Kansas, Lincoln, Nebraska, and now Brookings, South Dakota. I've found that folks are quick to sense the value of developing their wind resources. They understand the concept of clean power. They understand that their communities must offer the next generation a reason to continue their way of life, should they chose to. And they understand propaganda when they hear.

We hear two responses after we give a presentation on wind or attend a workshop such as the one we're at today. The first is, "what are we waiting for." The second is "where do I sign up." Please join us and your state colleagues to make sure we have answers to those questions.